

Message Text

SECRET

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14-S
ACTION NEA-10

INFO OCT-01 SS-15 SSO-00 SAM-01 SP-02 INR-07 INRE-00 PM-04

NSC-05 NSCE-00 DODE-00 CIAE-00 ACDA-05 ISO-00 /050 W
----- 126515

O R 311528Z JAN 76
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC IMMEDIATE 6823
INFO SECDEF//ASD:ISA/NESA)DASS IMMEDIATE
USCINCEUR//ECJ4/7-SAME
DA//DALO-ILM//DACS-SA
CDR USAILCOM ALEX VA//AMSIL-WN/ME
CDR MICOM REDSTONE ALA//AMCPM-KMS
AMEMBASSY JIDDA

S E C R E T AMMAN 0539

E.O. 11652: GDS
TAGS: MASS, JO, US
SUBJECT: HAWK FINANCING

REF: (A) STATE 023178 300135Z JAN 76 (NOTAL) (S)
(B) AMCPM-KMS 031420Z DEC 75 (NOTAL) (C)
(C) AMCIL-OM-MA 051504Z DEC 75 (NOTAL) (U)
(D) AMSIL-WM/ME 081938Z JAN 76 (NOTAL) (U)
(E) AMCIL-O/MA 091434Z DEC 75 (NOTAL) (U)
(F) AMCPM-KMS-P 131600Z JAN 76 (NOTAL) (U)
(G) DACS-SA 121734Z JAN 76 (NOTAL) (U)
(H) AMCPM-KMS-P 062135Z JAN 76 (NOTAL) (U)
(I) DALO-OLM 072150Z JAN 76 (NOTAL) (C)
(J) MAP AMMAN 150952Z JAN 76 (NOTAL) (S)
(K) MAP AMMAN 151002Z JAN 76 (NOTAL) (C)
(L) AMSIL-WM/ME 191846Z JAN 76 (NOTAL) (U)
(M) JIDDA 0667 (310915Z JAN 76 (NOTAL)

1. REGRET LONG LIST OF REFS; HOWEVER, THEY ARE PROVIDED
TO REFERENCE EXTENSIVE CABLE EXCHANGE PERTAINING TO
SUBJECTS RAISED IN REF A. DEPT WAS NOT ADDRESSEE THIS INFO;
THEREFORE, THE FOLLOWING SUMMARIZES INFO EXCHANGED BETWEEN
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DOD, AMEMB AMMAN AND JAF:

A. IN ADDITION TO NUMEROUS TELCONS, REFS B THRU G CLEARLY STRESS NO FUNDS - NO CONTRACTS.

B. REF H WAS FIRST INFO THAT A CONTRACT FOR I-HAWK AGE AND MSLS WAS SIGNED; HOWEVER, REF I WITHDREW AUTH TO RELEASE THAT INFO TO JAF.

C. REF G RAISED NEED FOR AN ADDITIONAL \$10M DOWNPAYMENT ON SPARES FOR FMS UPZ AND URS; HOWEVER JAF REGRETTABLY DECLINED IN REF J AND ACCEPTED CONSEQUENCES OF NO CONTRACT.

D. REF K WAS AN MISSION ATTEMPT TO SUMMARIZE ALL PREVIOUS AND LAY OUT CONSEQUENCES TO JAF. THIS LETTER WAS OUR CONSISTENT POSITION WITH JAF, AND WE KNEW IT WAS PASSED BY THEM TO SAUDIS.

E. JAF NEVER BALKED AT NEED FOR DOWNPAYMENTS BEFORE NECESSARY ACTIONS COULD PROCEED. IN FACT THEY HAVE NEVER EXPRESSED ANY DESIRE TO PROCEED WITH AIR DEFENSE SYSTEM UNLESS SAUDIS COMMITTED THEMSELVES TO ENTIRE PACKAGE, AS OUTLINED IN ROM LETTER PROVIDED TO THEM. THEY WERE, HOWEVER, ASTONISHED AT TWO WORKING DAY NOTIFICATION THAT ALL ACTIONS WOULD CEASE UNLESS DOWNPAYMENTS RECEIVED. (ROM LETTER CONTAINS LATEST FIGURE OF \$173 M AND JAF SAYS WAS PASSED TO SAUDIS DEC 21/22; REF M REFERS)

F. DOWNPAYMENT FUND TRANSFER AMOUNTS REF (A) ARE INACCURATE BECAUSE THEY DO NOT INCLUDE VULCAN, AND I-HAWK/VULCAN WHICH ARE INSEPARABLE AIR DEFENSE PACKAGE IN JAF'S OPINION. THEREFORE, DOWNPAYMENT REQUIREMENTS NOW STAND AT \$43.9M FOR I-HAWK (UPZ, URS, CTD, TAA, CTE) AND \$16.3M FOR VULCAN (UPY, UQB, UQC, OAE). ADD TO THIS FIGURE SCHEDULED PAYMENTS DUE ON CASES URS AND UPY (\$5.9M AND \$8.8M) AND TOTAL IS \$74.0M THAT DOD REQUIRES NOW IN ORDER TO PROCEED WITH ALL NECESSARY ACTIONS. THIS DOES NOT INCLUDE \$10M REQUESTED BY REF G. NOTE THAT UPY DOWNPAYMENT WAS CHANGED FROM \$35M TO \$7M BY REF L.

2. ABOVE FIGURES COINCIDE WITH JAF PRESENTATION TO SAUDI FINANCE MINISTER ON 30 JAN AT GHQ, WITH EXCEPTION OF
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DOWNPAYMENT REDUCTION ON CASE UPY FROM \$35.5M TO \$7.1M WITH DIFFERENCE OF \$28.4M BEING 120 DAY DU (REF L). IN THAT JAF WAS UNCERTAIN WHEN 120 DAY PAYMENT DUE THEY DID NOT MENTION THIS CHANGE. WE ARE REQUESTING CLARIFICATION BY SEPTEL TO RECTIFY THIS SITUATION.

3. IF SAUDIS APPROACH DOD, DEPT OF JIDDA (REF M) WOULD HOPE ALL CONCERNED WOULD VERIFY TOTAL IS NOW \$92.4M UNLESS AND UNTIL

JAF ACCEPTS \$28.4M REDUCTION IN DOWNPAYMENT ON UPY.
PICKERING

NOTE BY OC/T: DISTRIBUTION PER A. SHANKLE, S/S-O.

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, FINANCE, MISSILES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976AMMAN00539
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760037-1011
From: AMMAN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t1976012/aaaaabib.tel
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Reference: 76 STATE 23178
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Review Exemptions: n/a
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Margaret P. Grafeld
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04 MAY 2006

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TAGS: MASS, JO, US, SA
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